

---

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Cheryl Horne.

---

## DIGEST

### LaFleur (SB 156)

Present law requires any person applying for a license as an insurance producer to file with the Dept. of Insurance certification that the applicant has completed a registered prelicensing program certified by the commissioner prior to taking the exam.

Proposed law excludes from the licensing requirements any applicant seeking authorization to write industrial fire, limited life, health and accident surety insurance or a person with the following designation:

1. Certified Employee Benefit Specialist
2. Chartered Financial Consultant
3. Certified Insurance Counselor
4. Certified Financial Planner
5. Chartered Life Underwriter
6. Fellow, Life Management Institute
7. The LUTC Fellow Designation

Proposed law exempts a person applying for a license as an insurance producer for authorization to write health and accident insurance and having the designation of Registered Health Underwriter, Certified Employee Benefit Specialist, Registered Employee Benefits Consultant or Health Insurance Associate from the prelicensing education requirements.

Proposed law exempts a person applying for a license as an insurance producer for authorization to write property or casualty insurance and having the designation of Accredited Advisor in Insurance Program, Associate in Risk Management, Certified Insurance Counselor or Chartered Property and Casualty Underwriter from prelicensing education requirements.

Proposed law exempts a person applying for a license as an insurance producer to write any line of insurance and having a bachelor's degree or higher from an accredited college or university with major course work in insurance from prelicensing education requirements.

Present law permits the commissioner of insurance to require any documents deemed necessary to verify the information contained in an application for a license. Proposed law retains present

law and also permits the commissioner to require fingerprints of applicants and submission of the fingerprints to perform criminal history record checks to the Louisiana Bureau of Criminal Identification and Information for state and national criminal history record checks.

Proposed law requires the commissioner to conduct a criminal history check including the submission of a full set of fingerprints on each new, in-state applicant to obtain and receive National Criminal History Records for the FBI Criminal Justice Information Services Division. Permits the commissioner to contact for the collection, transmission and re-submission of fingerprints. Requires payment of any fees to be paid directly to the contractor by the applicant.

Proposed law requires the commissioner to treat and maintain an applicant's fingerprints and any criminal history record information as confidential and must apply security measures consistent with the Criminal Justice Information Services Division of the FBI standards for the electronic storage of fingerprints and necessary identifying information. Proposed law exempts fingerprints and any criminal history record information from the public records law and subpoena other than one issued in a criminal proceeding or investigation. Requires the fingerprints and criminal history record to be confidential by law and privileged and not subject to discovery or admissible in evidence in any private civil action.

Proposed law clarifies the lines of authority a licensed insurance producer may receive qualification for a license to one or more of the following:

1. Life, which provides coverage on human lives including benefits of endowment and annuities.
2. Health and accident, which provides coverage for sickness, bodily injury or accidental death.
3. Variable life and variable annuity products.
4. Property including damage to property of every kind and without regard to coverage sold to individuals and families for noncommercial purposes or commercial lines.
5. Casualty, including that for death, injury or disability, or damage to real or personal property.
6. Personal lines which provide property and casualty insurance coverage to individuals and families for primarily noncommercial purposes.
7. Title.
8. Credit, which includes credit life, credit disability, credit property, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, guaranteed automobile protection insurance or any other form of insurance offered in connection with an extension of credit.

9. Travel which provides insurance coverage for trip cancellation, trip interruption, baggage, life, sickness and accident, disability and personal effects when limited to a specific trip and sold in connection with transportation provided by a common carrier.
10. Limited life, health and accident.
11. Industrial fire.
12. Surety, which provides insurance or bond that covers obligations to pay debts of or answer for the default of another, including faithlessness in a position of public or private trust.
13. Bail bonds.
14. Surplus lines.
15. Any other line of insurance permitted under state laws or regulations.

Proposed law requires each registered insurance agent prelicensing program to provide instruction by a qualified instructor in a structured setting or by verifiable approved self-study with a minimum of 20 hours of supervised instruction or self-study for each of the following lines of authority a license is sought: life, health and accident, property, casualty and personal lines.

Proposed law requires life insurance agents and health insurance agents to complete 24 hours of approved instruction or verifiable approved self-study with at least 3 hours dedicated to the subject of ethics beginning with renewals effective in 2010.

Proposed law requires brokers, solicitors and agents authorized to write life, health and accident insurance, and authorized to write property, casualty or property and casualty or personal lines to have 24 hours of approved instruction or verifiable approved self-study. Requires renewals beginning in 2007, to have at least 3 hours of approved instruction dedicated to flood insurance. Requires renewals beginning in 2011 to have at least 3 hours of approved instruction or verifiable approved self-study dedicated to the subject of ethics.

Proposed law imposing continuing education requirements for renewal of a license shall not apply to any person 65 years of age or older on January 1, 2012 and who has at least 15 years of experience as a licensed agent, broker, or solicitor.

Present law permits the commissioner to appoint an advisory committee for recommendations as to the scope, type and quality of examinations as well as study materials. Proposed law repeals present law.

Present law requires the Uniform Business Entity Application to be accompanied by a letter of good standing from the secretary of state's office for a corporation or limited liability company or

a current letter of registration for a partnership or limited liability partnership or current letter of good standing from a bank's chartering authority. Proposed law repeals present law. Present law requires the commissioner to grant temporary authority to act as a home service life insurance producer for a time period to commence with the date of certified mailing of the license application. Requires the sponsoring insurer to certify that the applicant will be primarily engaged in the selling and servicing of guaranteed life insurance products on the basis set forth in the home service marketing distribution system. Defines "home service marketing distribution system" as a system of marketing insurance products in which 50% or more of the premium income is derived from policies of insurance which are sold, serviced or collected by producers visiting in the home or business of the insured. Proposed law repeals present law.

Present law creates and establishes the responsibilities of the Insurance Education Advisory Council. Proposed law repeals present law.

Present law requires the Insurance Education and Advisory Council to accept, upon payment of a fee fixed by the council, applications from bail agents for the prelicensing and continuing education requirements. Proposed law repeals present law.

Effective August 15, 2009.

(Amends and reenacts R.S. 22:1545(C), 1546(D), 1547(A), R.S. 22:1547(I)(intro para), R.S. 22:1551(C), 1571(A)(1), (B), (C)(4), and (E), and 1573(B), (C), (D), (E) and (I)(1)(a)(intro para), and R.S. 44:4.1(B)(10) and repeals R.S. 22:1545(F), 1546(B)(3), 1553(C), 1572, and 1573(F)(2))

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Insurance to the original bill.

1. Excludes from the licensing requirements any applicant seeking authorization to write industrial fire insurance policies.
2. Removes the Federal Bureau of Investigation from the source of criminal history record checks.
3. Removes the ability of the commissioner of insurance to receive criminal history record information in lieu of the Louisiana Bureau of Criminal Identification and Information that submitted fingerprints to the FBI.
4. Requires renewals effective in 2007 to have three hours of approved instruction dedicated to flood insurance.